

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY BANGKOK PRIORITY

INFO AMEMBASSY ABU DHABI PRIORITY

AMEMBASSY ADDIS ABABA PRIORITY

AMEMBASSY BLANTYRE PRIORITY

AMEMBASSY CAIRO PRIORITY

AMEMBASSY CANBERRA PRIORITY

AMCONSUL CAPE TOWN PRIORITY

AMEMBASSY CARACAS PRIORITY

AMEMBASSY COLOMBO PRIORITY

AMEMBASSY DACCA PRIORITY

AMEMBASSY DAR ES SALAAM PRIORITY

AMCONSUL HONG KONG PRIORITY

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AMEMBASSY ISLAMABAD PRIORITY

AMEMBASSY JAKARTA PRIORITY
AMEMBASSY JIDDA PRIORITY
AMCONSUL KARACHI PRIORITY
AMEMBASSY KATHMANDU PRIORITY
AMEMBASSY KUWAIT PRIORITY
AMEMBASSY LUSAKA PRIORITY
AMCONSUL LOURENCO MARQUES PRIORITY
AMEMBASSY LONDON PRIORITY
AMEMBASSY LISBON PRIORITY
AMEMBASSY MANAMA PRIORITY
AMEMBASSY MOGADISCIO PRIORITY
AMEMBASSY MANILA PRIORITY
AMEMBASSY MOSCOW PRIORITY
AMEMBASSY MUSCAT PRIORITY
AMEMBASSY NAIROBI PRIORITY
AMEMBASSY NEW DELHI PRIORITY
USMISSION NATO PRIORITY
AMEMBASSY PORT LOUIS PRIORITY
AMEMBASSY PARIS PRIORITY
USLO PEKING PRIORITY
AMEMBASSY PRETORIA PRIORITY
AMEMBASSY RANGOON PRIORITY
AMEMBASSY SINGAPORE PRIORITY
AMEMBASSY TEL AVIV PRIORITY
AMEMBASSY TANANARIVE PRIORITY
USMISSION USUN NEW YORK PRIORITY
AMEMBASSY WELLINGTON PRIORITY
CINCPAC HONOLULU HI PRIORITY
USCINCEUR PRIORITY
CINCUSNAVEUR PRIORITY
CINCLANT PRIORITY
COMIDEASTFOR PRIORITY
CINCPACFLT PRIORITY
DOD PRIORITY

C O N F I D E N T I A L STATE 201428

E.O. 11652: GDS
TAGS: MARR, XO
SUBJECT: DIEGO GARCIA
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REFS: (A) NEW DELHI 11114; (B) BANGKOK 13687 (NOTAL);
(C) STATE 187208; (D) STATE 172122; (E) STATE 43191;
(F) STATE A-4144

1. WE APPRECIATE REFLECTIVE COMMENTS AND RECOMMENDATIONS
SET FORTH IN REFEELS. AND BEFORE COMMENTING FURTHER WE
WOULD LIKE TO REASSURE AMBASSADORS MOYNIHAN AND KINTNER

THAT OUR FUNDAMENTS HAVE NOT REMAINED INVIOLEATE TO CRITICISM ON HILL AND ELSEWHERE OF OUR INDIAN OCEAN POLICY IN GENERAL AND THE PROPOSED EXPANSION PLANS FOR DIEGO GARCIA IN PARTICULAR.

2. REF A, SUPPORTED BY POINTS MADE IN REF B, CONTAIN SOME STRONG ARGUMENTS FOR DEFERRING PLANS TO DEVELOP A MODEST NAVAL LOGISTIC SUPPORT FACILITY IN DIEGO GARCIA. HOWEVER,

MATTER HAS LED US TO CONCLUDE THAT IT WOULD BE UNWISE TO POSTPONE DECISION FOR FOLLOWING REASONS:

(A) WE WERE CONSCIOUS IN JANUARY 1974 THAT THE PROPOSED DIEGO EXPANSION PLANS WOULD INEVITABLY GENERATE CRITICISM.

THE HIGH-LEVEL EXECUTIVE BRANCH DECISION TO PROCEED WITH THOSE PLANS WAS MADE ON THE JUDGMENT THAT CRITICISM, WHILE PRESENTING DIFFICULTIES HERE AND AT CERTAIN OVERSEAS POSTS, WOULD BE MANAGEABLE. SUBSEQUENT TO THIS DECISION, CONSIDERABLE CAPITAL HAS BEEN INVESTED IN THE CONGRESS, WITH THE BRITISH GOVERNMENT, AND AMONGST INDIAN OCEAN LITTORALS TO ELICIT SUPPORT OR, AT A MINIMUM, UNDERSTANDING OF OUR DIEGO EXPANSION PLANS.

(B) SINCE JANUARY WE HAVE SECURED HMG AGREEMENT IN PRINCIPLE TO OUR DIEGO PROPOSALS AND NEGOTIATED AD REFERENDUM GOVERNMENT AND SERVICE-LEVEL AGREEMENTS TN SUPPORT OF THE PLANNED UPGRADE OF THE CURRENT NAVAL COMMUNICATIONS FACILITY AND EXPANSION OF SUPPORT FACILITIES. THE RATIONALE TO SUPPORT ENLARGING DIEGO HAS BEEN THE SUBJECT OF LONG HOURS OF TESTIMONY BY DEPARTMENT AND DOD WITNESSES BEFORE THE CONGRESS. WE ARE NOW AT A POINT
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WHERE THE PROSPECTS SEEM REASONABLY GOOD FOR CONGRESSIONAL APPROVAL OF A BUDGETARY APPROPRIATION IN FY-75 FOR DIEGO GARCIA. THE HOUSE ON AUGUST 9 PASSED BY A VOTE OF 322-30 THE DOD FY-75 MILITARY CONSTRUCTION AUTHORIZATION BILL AFTER A MOTION TO DELETE THE DIEGO LINE ITEM WAS SOUNDLY DEFEATED. THE SENATE ARMED SERVICES COMMITTEE ON AUGUST 22 APPROVED THE MILITARY CONSTRUCTION AUTHORIZATION BILL FOR FY-75 WHICH INCLUDED 18.1 MILLION DOLLARS FOR DIEGO AS AGAINST THE 32.3 MILLION DOLLARS REQUESTED BY DOD -- 29 MILLION DOLLARS CARRIED OVER FROM THE FY-74 DOD SUPPLEMENTAL PLUS 3.3 MILLION DOLLARS PREVIOUSLY PROGRAMMED IN THE FY-75 BUDGET.

(C) FOREGOING SENATE COMMITTEE ACTION, WITH ADDED AMENDMENT REQUIRING PRESIDENTIAL DETERMINATION THAT DIEGO

CONSTRUCTION PLANS ARE IN THE NATIONAL INTEREST,(REF C) INSURES THAT DIEGO BUDGETARY AUTHORIZATION WILL GO TO SENATE-HOUSE CONFERENCE. GIVEN THE STRONG POSSIBILITY THAT CONFEREES WILL COMPROMISE ON A FIGURE BETWEEN HOUSE AND SENATE VERSIONS OF AUTHORIZATION BILL WE BELIEVE REASONABLE LINE COULD BE TAKEN THAT MODEST PLANS FOR DIEGO GARCIA REFLECTED IN 33.3 MILLION DOLLARS REQUESTED IN FY-75 HAVE BEEN PRUNED BY CONGRESS IN A MANNER TO PROVIDE ONLY MOST AUSTERE SUPPORT TO US SHIPS AND AIRCRAFT OPERATING IN THE INDIAN OCEAN. THAT THE CONGRESS, AFTER FULL AND EXTENSIVE INQUIRY AND DEBATE, IS ON THE VERGE OF SUSTAINING THE ADMINISTRATION'S POSITION -- EVEN IF ON A REDUCED FUNDING BASIS -- SEEMS TO US AN EFFECTIVE ARGUMENT IN SUPPORT OF THE RATHER MODEST PROGRAM INTENDED AT DIEGO GARCIA.

(D) WE ARE STILL FACED WITH THE OVERALL PROBLEM OF THE RESTRICTIVE AMENDMENTS TO THE STATE AUTHORIZATION BILL (THE CASE AMENDMENT ON EXECUTIVE AGREEMENTS AND SEPARATE DIEGO GARCIA AMENDMENT) WHICH ALSO MUST AWAIT FINAL RESOLUTION BY HOUSE-SENATE CONFERENCE. HOWEVER, DEFERRING OR CANCELLING THE DIEGO EXPANSION PROPOSALS WILL NOT BE A CENTRAL CONSIDERATION IN THE ULTIMATE OUTCOME OF THE CASE AMENDMENT, THE OBJECTIVE OF WHICH IS AIMED AT THE BROAD RANGE OF US OVERSEAS BASE AND FACILITY ARRANGEMENTS (AZORES, SPAIN, ETC.).
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(E) WE ARE ALSO CONCERNED THAT VOLUNTARY CAPITULATION ON DIEGO AT THIS JUNCTURE COULD WELL FORECLOSE THE PROSPECTS OF ANY SUBSEQUENT BRITISH AGREEMENT, AT LEAST UNDER A LABOR GOVERNMENT, TO DIEGO EXPANSION PLANS. OUR CURRENT ESTIMATE IS THAT THE WILSON GOVERNMENT WILL REAFFIRM THE AGREEMENT IN PRINCIPLE OF THE HEATH GOVERNMENT TO THE DIEGO UPGRADE BUT ONLY AFTER CONGRESS VOTES THE MONEY. IF WE DEFER OR POSTPONE ACTION, THE BRITISH PROBABLY WOULD INSIST THAT ANY SUBSEQUENT PROPOSALS TO EXPAND THE DIEGO FACILITY BE SUBJECT TO RENEGOTIATION AND HMG AGREEMENT.

(F) REGARDING THE COLBY TESTIMONY, WE

PROVIDED GUIDANCE ON THAT SUBJECT IN REF D, AND WE HAVE HAD NO REASON SINCE THEN TO AMEND OUR VIEWS, ESPECIALLY SINCE THE STENNIS COMMITTEE APPROVAL CAME AFTER THE TESTIMONY.

(G) AS YOU KNOW, THE WHOLE MATTER OF ARMS LIMITATION IN THE INDIAN OCEAN HAS BEEN SUBJECT TO EXTENSIVE EXECUTIVE BRANCH REVIEW; PENDING THE AVAILABILITY OF ADDITIONAL

GUIDANCE, THE GUIDANCE PROVIDED IN REF E REMAINS VALID AND IS REPEATED FOR YOUR USE:

QUOTE: IN GENERAL WE ARE RECEPTIVE TO ANY CONSTRUCTIVE SUGGESTIONS AS TO RESTRAINTS ON MILITARY ACTIVITY IN THE INDIAN OCEAN AREA:

HOWEVER, OUR INTENTIONS TO EXPAND OUR FACILITIES ON DIEGO GARCIA ARE NOT DIRECTLY RELATED TO ANY GIVEN LEVELS OF SHIP DEPLOYMENTS IN THE INDIAN OCEAN.

--THEY ARE, RATHER, CONSIDERED IN THE TOTAL CONTEXT OF OUR OVERALL POLITICAL AND MILITARY STRATEGY FOR THE REGION;

--THIS IN TURN IS DETERMINED BY A MUCH BROADER RANGE OF

FACTORS THAN SIMPLY THE CURRENT LEVEL OF SOVIET NAVAL ACTIVITIES IN THE INDIAN OCEAN. END QUOTE.

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(H) FINALLY, WE ARE CONVINCED THAT THE MODEST EXPANSION PLANS AT DIEGO REPRESENT A LEGITIMATE REQUIREMENT IN SUPPORT OF OUR NATIONAL INTERESTS IN THE INDIAN OCEAN, PUT MOST RECENTLY IN PARA 3.C, REF D AND AGENDA I PAPER APPENDED TO RECORD OF MAY US-UK INDIAN OCEAN TALKS (REF F). ACCORDINGLY WE BELIEVE THAT VALID OPERATIONAL NEED FOR MOVING AHEAD WITH DIEGO CONSTRUCTION IN CONJUNCTION WITH CONSIDERATIONS CITED ABOVE ARGUE CONCLUSIVELY FOR PROCEEDING ON COURSE, A CONCLUSION UNDERSCORED BY PRESIDENT IN HIS AUGUST 28 PRESS CONFERENCE (REPORTED SEPT 1).

3. WE WILL BE KEEPING YOU APPRISED OF CONGRESSIONAL MOVEMENT ON DIEGO PROBLEM AS IT UNFOLDS FOLLOWING CONGRESSIONAL RECESS.8 8,&34

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